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CNN Larry King Live

Interview With Donald Trump

Aired October 09, 2006 - 21:00 ET

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(BEGIN VIDEO CLIP)

LARRY KING, CNN HOST (voice-over): Tonight, Donald Trump. What's he make of the Foley scandal? The disgraced Florida Congressman's been a guest at his Palm Beach Estate.

Plus, why did he fire Carolyn from "The Apprentice" and replace her with his own daughter?

Why is he up on Branjolina but down on Britney Spears?

And, the big question...

DONALD TRUMP: Why I want you to be rich.

KING: The one and only Donald Trump, he's rich. He's powerful. And he's next on LARRY KING LIVE.

(END VIDEO CLIP)

KING: It's always a great pleasure to welcome him to this program. He's Donald Trump, the chairman and president of the Trump Organization, the star and co-producer of "The Apprentice," the New York Times bestselling author, and co-author of a new book, "Why we want you to be rich, two men with one Message." We'll meet the other man later and get into how this whole book began.

But, let's discuss some things current, good to see you again, Donald.

TRUMP: Good to see you. It's always fun.

KING: Donald is everywhere. Look at this the finest -- these are all Donald Trump properties. The brochure requires four pages to show where he's at. Forbes has him on the cover of the "400 Richest People in America." The new issue of "BusinessWeek" calls him the toughest person to negotiate with in American business and that includes some heavyweights like Bill Gates and Warren Buffet.

How do you feel up there? Does it ever get to you?

TRUMP: Well, I love doing your show.

KING: No, I mean all of this.

TRUMP: I mean, other than that, I love this. No, I'm having a good time. I mean I really am having a great time. I was a little surprised to see the "BusinessWeek" article because Bill Gates and Warren Buffet, these are great guys. But it was from their readers and their readers know something about what they're doing. But I'm having a good time now.

KING: Do you like being called tough?

TRUMP: I read other that, I love it. I'm having a good time. Their readers and looks a great time. It was a great opportunity to see the "BusinessWeek" article because Bill Gates and Warren Buffet, these are great guys. But it was from their readers and their readers know something about what they're doing. But I'm having a good time now.

KING: Do you like being called tough?

TRUMP: No, not particularly. I don't think I'm so tough. I think I'm fair. I think I'm intelligent. But I don't necessarily like being called tough.

KING: Let's discuss some things currently in the news and get your thoughts. And I know you know him because I hear that Congressman Mark Foley is a regular in Palm Beach. Does he own a place at Mar-a-Lago (ph)?

TRUMP: No, thank goodness. No, Mark Foley would come to Mar-a-Lago with charities and everything and I've seen him for years and he always had a very beautiful woman with him and yet everybody knew that Mark was gay and he came out and admitted he was gay.

And, you know, if I were gay, which is perhaps a well known story that I'm not, I would admit that I'm gay. But he would come in with magnificent-looking women. It was like torture to me watching this. And fortunately I'm married and very happy.

KING: But you knew he was gay?

TRUMP: But everybody knew he was gay but he'd be at Mar-a-Lago a lot and usually with the charity events and stuff.

KING: When the story broke what did you think?

TRUMP: Well, I knew he liked men. I didn't know he liked boys of 12 and 13 years old and pages and all of that, so that's a whole different deal. And, he's got some big problems and he certainly has upset the Republican Party.

KING: How upset? What do you think it's going to do?

TRUMP: And he's made the Democratic Party very happy.

KING: What do you think it's going to do to the election?

TRUMP: I don't know that it has an impact. I mean if you read the polls it does. But you vote for the individual person. If some Republican is doing a good job or some Democrat is doing a good job and something happens within the party with somebody that's unbeknownst, you vote for the person. So, I don't think a thing like that has an impact on a party. Now, they're saying there was a little bit of a cover up and maybe that's the case but I personally think you vote for the person.

KING: What do you think is going to happen in November?

TRUMP: Well, I think the Democrats are going to do very well. KING: Take the House?

TRUMP: Well, I think the war is a total disaster and I think the Democrats because of that are going to do very well, much more so than Foley. I mean I think they're going to do very well.

KING: If my memory is correct, you came out early against this war.

TRUMP: Oh, I thought it was a disaster from day one. You know, if you look at Saddam Hussein he hated terrorists. He killed terrorists. He would shoot terrorists in the street. There were no terrorists.

Now, Iraq is a breeding ground for terrorists and this week we lost 21 soldiers and how about all the people? You know they talk about the deaths. They don't talk about the kids that come home with no arm, no leg, no face, no eyes.

Now, Iraq is a breeding ground for terrorists and this week we lost 21 soldiers and how about all the people? You know they talk about the deaths. They don't talk about the kids that come home with no arm, no leg, no face, no eyes.

The war is a disaster and the day we leave, it's already falling apart, it has nothing to do with us even staying there but the day we leave that country is going to be taken over by somebody who's meaner and more vicious than Hussein, in my opinion.

KING: How does it end?

TRUMP: Well, it ends by somebody being intelligent and saying "It's time to leave." We have North Korea making nuclear missiles. We have Iran making nuclear warheads. In my opinion that's what they're making. They're not making energy.

I mean they have more oil than anybody, why do they need nuclear? You know if you think about it Iran wants nuclear and yet they're loaded up with oil, right? So, they want nuclear.

And we have all of these problems and we're just embedded in Iraq, which has an M1 rifle if they're lucky and all of them are pointed at our soldiers' heads. So, we should be out of Iraq. We should do it quickly and effectively.

You know I used to say in Vietnam, "Declare yourself a winner and leave," right? Maybe that's what we have to do in Iraq. Now, Bush declared us winners a long time ago.

KING: A long time ago.

TRUMP: And boy did that turn out. Now, this is an amazing war, Larry, because they let us in and it looked like the easiest thing ever. They let us in and then they attack. But it's not just an attack. I mean this is -- this is a group of people where there's no law. There's no order. There's no police. The police are going to the other side. The police that we're training are going to the other side. The war is a disaster and any politician that's for that war should be voted out of office.

KING: Try to have firm opinions as we go along. TRUMP: OK, I'll try.

KING: Your decision to fire Carolyn Kepcher, why?

TRUMP: Well, Carolyn is a very nice person and she ran one of my golf clubs and it's a terrific club, Trump National in Westchester. And, she did a good job. But when she went on "The Apprentice" and then "The Apprentice," as you know, became the number one show on television and she became a star and I became a star. We all became stars, everybody, and George Ross became a star. You know George walks down the street and...

KING: Yes, people know him.

TRUMP: ...20-year-old women are screaming "George, George." They're going crazy.

KING: So what -- what...

TRUMP: But the difference is, well the difference is with George it rolls off his back. He's been there. He's a hardened veteran. Carolyn loves being a star and you can't be a star and run something in terms of a business in my opinion.

KING: But you're a star and run something.

TRUMP: Well, I run it and I run it differently. I have two businesses, you know. Star is part of my business. But, Carolyn if I said, you know, "What's the price of the belts," it was like, you know, belts? Now, with all of that being said I like Carolyn. I would help Carolyn. I hope she gets something good. But it was just time for her to go.

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KING: You mean having this star effect affected her work? She was less good at what she did?

TRUMP: Well, I think she was much less good at what she did and she loved being a star and I think that's great. In other words, I'm not complaining about that. I think that's great. But it can't be for me.

I mean if she wants to continue to be on television, and this happens a lot in "The Apprentice," you know, people legitimately want to work for me and all of a sudden they're on television and now it's like "We really want to go into the movies, Mr. Trump, the hell with real estate," right?

So, that's happened to a couple of the winners of "The Apprentice." They got so enamored with that beautiful camera right over there that that was much more important to them than doing a job.

KING: She wrote a bestseller or a book called "Carolyn 101." There were some who thought, maybe critics of you, that you were jealous of her."

TRUMP: No, I was not jealous of Carolyn at all. Carolyn ran a small country club for me and she did nicely on "The Apprentice" and so did George. I mean they did great. The show became this great success. But I have to have people that during the day are doing a different job. And, I don't blame Carolyn because I fully understand how that happens. It would happen to many people.

KING: Yes, sure.

TRUMP: But, look, I wish her the best.

KING: Have you heard from her?

TRUMP: I have.

KING: And?

TRUMP: Well, nothing, I just wish her well. I'll give her references. I'll give her recommendations. I wish her well.

KING: Your once good old pal Martha Stewart, who you defended strongly on this program in the past...

TRUMP: Many, many times.

KING: ...criticized you for getting rid of her and she told Access Hollywood that you are out of control.

TRUMP: Well that's not exactly. Why don't you read the full quote? I mean give me a break, Larry.

KING: That's all I've got is that part.

TRUMP: Well, you have very terrible research. I'm shocked at you. But she said "I'll be sitting on a pedestal all by my lonely self" and that's fine. But, you know, Martha is another (INAUDIBLE).

KING: But that's not -- that's not an absurd thing. Do you want me to read the whole quote like that? You're on a pedestal. OK, go ahead.

TRUMP: No, I'd just like you to be accurate. You know I love your (INAUDIBLE).

KING: But that's not -- that's not an absurd thing. Do you want me to read the whole quote like that? You're on a pedestal. OK, go ahead.

TRUMP: No, I'd just like you to be accurate. You know I love your (INAUDIBLE).

KING: It's not inaccurate, OK, never mind.

TRUMP: Semi inaccurate. So, Larry, so Martha did a show called "The Apprentice." I was not in favor of it. NBC wanted it very much and Mark wanted it, Mark Burnett wanted it. I thought it would not be successful and I thought it was bad for "The Apprentice" and we were at the number one position and all of that.

So, she did a show. She just came out of the can. She goes on the show and shockingly nobody watched. It was a total failure and it was a critical failure too. I mean people thought it was horrible. Her performance was horrible, everything.

The show failed and she blamed me. She blamed me because her show failed. So, I didn't mind at first but after about the ninth time of listening to it, I wrote a letter and somehow the letter, people started hearing about this letter and they got the letter and it was very critical of Martha but you know...

KING: So you think she's just retaliating?

TRUMP: Well, I don't know if she's retaliating. How do you retaliate? She does "The Apprentice" and her version of "The Apprentice" failed. I did "The Apprentice" and my version of "The Apprentice" became the number one show on television. She shouldn't hold that against me but she blamed me because it failed.

KING: Is she a friend of Carolyn?

TRUMP: No, not at all.

KING: Donald, you gave our crew an exclusive inside look at an average day. Is there such a thing as an average day inside the Trump Organization New York Office? Let's take a look at how your average day begins.

(BEGIN VIDEO CLIP)

TRUMP: Every morning people are here to greet me at Trump Tower, isn't that amazing? See you later folks.

And we've written this book and I think this book is going to be a very big monster.

(END VIDEO CLIP)

(COMMERCIAL BREAK)

(BEGIN VIDEO CLIP)

TRUMP: I'm Donald Trump and I'm always on the lookout for talented people. I'm looking for someone who is a natural leader. I'm looking for someone who is a strategic thinker. I'm looking for "The Apprentice."

You're fired. You're fired. You also are fired. You're fired. You're fired. This is a tough one, you're fired. Randal (ph), you're hired.

(END VIDEO CLIP)

KING: We're back with Donald Trump, co-author of "Why we want you to be rich." We sent our crews out yesterday asking New Yorkers what questions they might wish to ask of Donald Trump and we'll have a few as we go along and here's the first one.

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(BEGIN VIDEO CLIP)

UNIDENTIFIED MALE: I would ask you, Donald, what are some things you say have made you the negotiator that you are today?

(END VIDEO CLIP)

TRUMP: Well, I think, number one, you do have to be born a certain way, I mean having parents that are into the world. You know, the gene pool is somewhat important and it's a horrible thing to say. When people pay me a lot of money to teach people how to be successful, they hate for me to say that but that is nevertheless true.

But, the fact is you have to love what you do and you should never, ever give up. But, if you don't love it, then you will give up easier. But you have to love what you do. And, second, never, ever quit or give up.

KING: OK, back to some thing current. You recently applauded Brad Pitt's stance on not marrying Angelina Jolie. I believe you said that you consider everyone -- when he said everyone should be married but don't bug him, why?

TRUMP: Well, look, number one, I know her father. Her father is a nice guy. I think she treats him like a dog but maybe they have some kind of a thing.

KING: Yes, why, he's a good guy?

TRUMP: I mean this poor sap he comes along and he practically begs her, "I want to see my grandson. I want to see this." I mean if I were with him, I'd say "Forget it. It's over."

KING: He's also a great actor, Jon Voight.

TRUMP: I think he's a great actor and she just treats him terribly. She's been with so many guys she makes me look like a baby, OK, with the other side. And, I just don't even find her attractive. That has nothing to do with why I said it though.

He made that statement, right, and he made it like he's doing this wonderful thing for humanity. I think he probably made it just because he doesn't want to get married, which is, you know, not so bad.

KING: You've been quoted...

TRUMP: But I'm not a fan of hers as you probably noticed.

KING: I gathered. That's come through.

TRUMP: Did you notice, OK?

KING: But are you a fan of people living together?

TRUMP: Yes.

KING: Because?

TRUMP: Because otherwise I'd be in big trouble with myself.

TRUMP: Yes.

KING: Because?

TRUMP: Because otherwise I'd be in big trouble with myself.

KING: You've been quoted as saying that something doesn't look right between Britney Spears and Kevin Federline, what?

TRUMP: Right. Well, it just doesn't look right and here's the problem. I was really attacking him because I have a radio show that's a very successful show. You know it's like a Paul Harvey 60-second deal, the Clear Channel. They're great. They set it up in my office and I do it.

And, I was attacking him and then somebody said, because, you know, I didn't he was right for her in all fairness. Hey, look what happened to her, she's a mess. So, what happens now is I heard the other day that his all-time hero is Donald Trump.

KING: Oh!

TRUMP: So, now what I said, "I think he's a great guy. He's fantastic." You know when somebody likes you, you say "Hey." So, I totally changed my mind. I think Kevin Federline is fantastic.

KING: About the McCartney thing you said, "It's idiotic to get married without a prenup."

TRUMP: He insisted on no prenup and it's going to cost him a lot of money. And, I told him. Now, I will say this. Prenups are very tough. "Darling, I love you very much. We're going to live our"...

KING: Sign this.

TRUMP: Right, "We're going to live our lives together forever and, by the way, sign this or we're not getting married," right. So, there's nothing really nice about it but in our world with the long courts and with the vicious lawyers and with all of the problems if you have money or if you think you're going to have money, you have to have a prenuptial agreement.

KING: Period.

TRUMP: Period.

KING: All right, your daughter Ivanka will be taking Carolyn's place on "The Apprentice."

TRUMP: Correct.

KING: Nepotism.

TRUMP: That's true.

KING: Why?

TRUMP: I like nepotism, you know. If you can't take care of your kids, you know that better than I (INAUDIBLE).

KING: (INAUDIBLE) was a big fan of it.

TRUMP: I like nepotism. I think, you know, a lot of people say "Oh, nepotism." Usually these are people without children. But I like nepotism. And I'll tell you what happened is, and one of the reasons I, as the expression goes, canned Carolyn, Ivanka went on.

And she couldn't have when we first started "The Apprentice" because she was going to the Wharton School of Finance. She had all As.

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And she couldn't have when we first started "The Apprentice" because she was going to the Wharton School of Finance. She had all As. She was a great student and everything else but it's hard to say she's my advisor and she's not even in the business yet, right.

So, now she's been in the business for a year and a half and she's doing unbelievably well. And she went on "The Apprentice" and she did phenomenally, as you know. The ratings were very good and everything was very good. And I said, well this is a good time for me to put Ivanka in to replace Carolyn. And she's beautiful and she's smart.

KING: Was it tough on her though to go in, you admit Carolyn was good on it...

TRUMP: Absolutely.

KING: ...to go in as a replacement?

TRUMP: No. I don't even think she thought of it. She's very tough, very smart and very beautiful. She's got a lot of great traits. I could tell you some of her bad traits too but I won't do it now.

KING: Getting to that, you discussed, you told Stuff magazine you'd like her to date athletes. Is there anything to the rumors that she's dating Lance Armstrong?

TRUMP: No. They're very good friends. They talk. But there's no such thing, no. I don't think that would be for her and perhaps not for him but he's a great guy. But they are friends I know that and they do talk.

KING: Do you try to control her date life?

TRUMP: Absolutely.

KING: You are a controller.

TRUMP: There's no man that's good enough for her. Do you understand that, Larry?

KING: Yes.

TRUMP: No man.

KING: So how do you greet people who date her?

TRUMP: Usually with bodyguards. They beat them up.

KING: You are tough.

TRUMP: No, just look, you have a daughter. She's fantastic. I have another fantastic daughter. I have Tiffany. I just like to protect my daughters. You know, it's hard for me to envision these girls being with a man. But, someday that's going to happen. She's had boyfriends in the past and they've been very nice. But it's hard for me seeing my daughter dating.

KING: Did she ever come close to getting married or engaged?

TRUMP: No, no. She's 23.

KING: Does the boy she will eventually marry in your eyes have to be successful? In other words, could Donald Trump accept your
~~daughter's fiance in law with a 23?~~

TRUMP: No, no. She's 23.

KING: Does the boy she will eventually marry in your eyes have to be successful? In other words, could Donald Trump accept your daughter falling in love with a cop?

TRUMP: I love the cops, yes, with a cop, yes, with a fireman, yes, with certain people yes. But I would want somebody that would be a worker, would work hard, would try hard.

KING: Wouldn't have to make \$8 million a year?

TRUMP: Would not have to make or \$800 million a year, I mean wouldn't have to make a lot of money but if they work hard and, you know, they have to be substantial people.

KING: Now that you like him how about Kevin Federline?

TRUMP: Oh, he'd be fabulous. I think he's be just perfect.

KING: How's little Barron?

TRUMP: Barron is beautiful. Barron is six months old. In 21 years, I'm trying to get him to rush along, you know I'm trying to get Melania because I could use some extra help. We have a lot of jobs going up as you can see. But Barron will be a very, very solid citizen. He cries less than any baby I have ever seen. I've never seen anything like it. He's like his mother. She's very calm.

KING: Yes, I know.

TRUMP: C-A-L-M. She's a very calm person.

KING: How does she like motherhood?

TRUMP: She loves it. It's like she was a very successful model. She was everything. And she -- this is what she loves best.

KING: And you being a father now with grown kids what's it like?

TRUMP: Well, I mean I could ask you that same question.

KING: I think it's the greatest thing.

TRUMP: But it is so different and I think you appreciate it now. You know when we were a little bit younger, we were thinking about success and fame and fortune and all of that.

I think that I probably appreciate it more. I love my other -- I love my children all, right, I love them all the same. I have great children. If I had a bad one I'd probably love that child the same as the good ones, right? But, you do tend to appreciate it more when you're older and you have a child.

KING: We'll be back with Donald Trump.

Later, we'll meet his co-author. The book is "Why we want you to be rich." Don't go away.

(COMMERCIAL BREAK)

KING: We're back with Donald Trump, old friend and always good to have him with us.

(COMMERCIAL BREAK)

KING: We're back with Donald Trump, old friend and always good to have him with us.

Let's get another question from one of our folks on the street.

(BEGIN VIDEO CLIP)

UNIDENTIFIED FEMALE: Mr. Trump, I'd like to know how you raised two adult children that seem so normal?

(END VIDEO CLIP)

TRUMP: Well, that's a very nice question. I appreciate it. They are very normal. They're very smart. They went to the Wharton School of Finance and they're in business with me now, Don, Jr. and Ivanka.

KING: What did you do, do you think?

TRUMP: I think I was very, very firm and their mother was very firm. We were very strict. We watched the money and we watched -- we gave them allowances and were very strong.

KING: So even though you and Ivana broke up and didn't have it that didn't affect the way both you raised the kids?

TRUMP: I don't think so at all, no. She was a good mother and she was a firm mother and I'm a very, very strict, firm father.

KING: How do you not spoil?

TRUMP: Well, you know, I have always really created incentives for my children. I still do. They're in my company and I give them great incentives to do deals. And, numerous of the deals that you're looking at and I'm building...

KING: Oh, these buildings.

TRUMP: ...many, many buildings all over the world, numerous of the deals that you're looking at are being done by Don, who is now 28, and by Ivanka. And I have another son who is a great son who just graduated from school and he is coming with me. He just joined me three weeks ago.

KING: By the way, do they have to join you?

TRUMP: No, if they were happy doing something else I wouldn't even want them to join. If they didn't love it -- I had a brother who didn't love the real estate business and it was a very sad thing because he was a great guy, the best-looking guy you've ever seen, the best personality.

KING: Good guy.

TRUMP: Put me to shame and he was the greatest, Fred, but he started drinking. He didn't like working for my father. My father was in real estate in Brooklyn and Queens and my brother just didn't like it.

KING: And you lived in Bensonhurst, Trump Homes.

TRUMP: Right, absolutely.

KING: It's one of the first things he built.

TRUMP: Right, absolutely.

KING: It's one of the first things he built.

TRUMP: Absolutely, sure.

KING: Are you by the nature of this toughness are you also tough or are you in some areas a soft touch? A friend needs a loan can he come to Donald Trump?

TRUMP: Well, the answer is absolutely yes and I find that I do better when people are tough with me. In other words, when I have an opponent that I don't like that's tough, I do better. Where I don't do as well is when they treat me with kindness.

KING: And you would help...

TRUMP: It's a pretty sad personality.

KING: You are someone who helps people in need?

TRUMP: I (INAUDIBLE).

KING: Say a guy is an old friend of yours and something happened to him and he needs some money.

TRUMP: Absolutely and it's happened many times. I mean I have a lot of friends that have gone, you know, really experienced tough times and even gone down the tubes. I always love to help a friend if I know they're really a friend.

KING: How about rich kids and tabloids? I mean your kids see it all the time, don't they, the Trump name makes the...

TRUMP: They see it all the time. Well, lately for the last few years I've been so good on the tabloids. I mean they have these wonderful stories about me. The last few years have been ridiculous.

KING: What are you doing right?

TRUMP: Well...

KING: Well you got married and you have a kid and what are they going to hit you with? TRUMP: Yes, it's different. It's different. You know when you're out there dating and you're with different women and you're all over the place it's a little bit different. But, the tabloids have treated me very nicely for the last period of years.

KING: We were both at a party together thrown by the Hilton family in Los Angeles.

TRUMP: Right.

KING: What do you make of all this Paris Hilton stuff?

TRUMP: Well, you have to understand I've known Paris for many years. I have known Paris...

KING: Since she was a kid right?

TRUMP: ...when she was a little baby and I know the parents very well and they're really nice people. And I think Paris isn't getting enough credit. She was another one. You have Kevin Federline but you have Paris. Paris said she wants to build a brand just like Donald Trump and I don't know if she's done it the same way but she is smart like a fox.

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You know, people say "Oh she's not smart. She's not this. She's not that." She's done a very good job. When they pay her \$25,000 or \$50,000 or \$100,000 to show up to a party, she's making a lot of money and she gets criticized all the time.

I also happen to think that I believe she's very beautiful. A lot of people don't agree with me, you know. Some people say "Oh, she's really not." I happen to think she's very beautiful. But, Paris has done really a good job in building a brand for herself.

KING: But is that in itself a talent?

TRUMP: Well, I think everything is a talent. I think that she -- if she didn't have a good look, she wouldn't be able to do it. She'd have to do something else. But she happens to be born with a great look. If that look weren't there, she couldn't do that. You know look is important in life, Larry. That's why you're so successful. You're a handsome man.

KING: Oh, gorgeous. You're expanding the brand. Trump is everywhere. What is this Big Break, 6 is it on the Golf Channel, what's that?

TRUMP: Well, the Golf Channel is a very successful channel to put it mildly.

KING: Very.

TRUMP: Because gold is a hot sport with Tiger Woods who is great and all of these great golfers. And they came to me and they normally -- I own great golf courses. I own the best course in the state of California, rated the number one course in the state of -- in California.

And they wanted to do the Big Break, which is basically if you win the Big Break, you go on one of the tours, the women's tour, the professional tours. You know you go on one of the tours, Big Break. That's called the Big Break.

KING: You're not kidding.

TRUMP: And they said, "Listen, we don't want the money if you agree to emcee it." Now, NBC had a fit but they were nice to me because Bob Wright (ph) and Jeff Zucker (ph) and Kevin Reilly (ph) are fantastic people.

And eventually they said, "OK, look, do some of it and just relax." But they didn't want me to do it because "The Apprentice" comes on in January and they didn't want me to be over exposed.

KING: Why do you need it?

TRUMP: But I've always been over exposed. You know it's great for the course. I don't need it for myself but here you have the Golf Channel, really successful. You have Donald Trump saying how great his course is all night long and they run it about 40 times and it's great for the course. And you know what it takes me, what, 15 minutes? Somebody else said to me the same thing. They said, "Why are you doing that?" You do "The Apprentice", you have this really crazy big show. Why are you doing the Golf Channel? I'm doing the Golf Channel because it's great promotion for my golf business and it doesn't cost too much.

KING: What do you make of the Hewlett-Packard scandal? And could that happen to the Trump company?

TRUMP: Well, I think it's crazy what's going on. The whole thing with the espionage and the publicity and now arrests and indictments and everything else. I think it is a little bit crazy what's going on. We certainly have bigger problems in the world than that. I don't think people should be focused on that like they can be focused on many other things.

KING: Why is there -- fraud is everywhere, isn't it? Fraud and conspiracy.

TRUMP: Well, I think it's crazy what's going on. The whole thing with the espionage and the publicity and now arrests and indictments and everything else. I think it is a little bit crazy what's going on. We certainly have bigger problems in the world than that. I don't think people should be focused on that like they can be focused on many other things.

KING: Why is there -- fraud is everywhere, isn't it? Fraud and conspiracy.

TRUMP: Well, it certainly seems to be. Certainly seems to be.

KING: What lends people, do you think, and you're a pretty good judge of why people do what they do, to steal or scrape the edges?

TRUMP: Greed.

KING: But why do people with \$100 million need \$200 million?

TRUMP: Because they can't help themselves. Because they started off -- I mean, I have friends and perhaps to a certain extent, me too. What do I need to keep working for? But you work and work and work. Some of them start off dishonest and that's all they know and usually you'll know somebody dishonest from the time you know them in high school.

They start off -- and you know what I am talking about. They start off dishonest, they keep going, they hit, they hit, they hit, they get lucky. They don't get caught. And then all of the sudden they get caught and they're up to \$200 million or \$500 million or \$2 billion.

KING: So you think if they examined maybe backgrounds of more people in the Enron circle you might have found things in high school.

TRUMP: Well, I also think the worst guy in Enron got off. He was the rat. But I think Fastow was a bad guy.

KING: Did he get nine years?

TRUMP: Well, he got much less than anybody and I think he was the mastermind and I believe he went to my wonderful school, the Wharton School.

KING: Why is ...

TRUMP: He didn't make the hall of fame.

KING: What is so great about Wharton?

TRUMP: Well, it's a great school. You have great people who went to Wharton in terms -- I don't mean in terms of going to heaven. I mean in terms of making money. You have a lot of fantastic people. Leonard Lauder went there of Estee Lauder and Ronald Perelman went there and there's so many ...

KING: What is it, though? The teachers, faculty better?

TRUMP: Well, it seems to be entrepreneurial. It seems to be -- Michael Milken went there -- he had some problems but what he did was an amazing thing. Some of the great geniuses went to Wharton and it seems to be a more entrepreneurial outcome.

When you graduate from Wharton you have a very, very smart -- I'll tell you, in my case, the thing that was the best to me, I did well, I was actually a good student, which very few people realize. But it showed me that I was with the smartest people in the universe and I was better than them or at least as good as them in terms of the brainpower and it does give you a certain confidence.

But Wharton is very, very entrepreneurial and that is what you see coming out.

KING: So therefore you would say to someone, if you have the opportunity, go there.

But Wharton is very, very entrepreneurial and that is what you see coming out.

KING: So therefore you would say to someone, if you have the opportunity, go there.

TRUMP: Yes. It's hard to get in. It's probably the hardest school in the United States to get in.

KING: Harder than Harvard?

TRUMP: I think it's the hardest school in the United States to get in.

KING: We'll be right back with more of Donald Trump and then, after this segment, we will meet his co-author, the very successful Robert Kiyosaki

TRUMP: Correct.

KING: The book is "Why We Want You to be Rich." We'll have another question or two from folks on the street for Donald Trump. Don't go away.

(COMMERCIAL BREAK)

KING: We're back with Donald Trump. Let's get another question from -- we sent our crew out, as we said, out on the streets the other day. Here's another one for Donald.

(BEGIN VIDEO CLIP)

UNIDENTIFIED FEMALE: What would he invest in in the stock market now?

(END VIDEO CLIP)

TRUMP: Well, the stock market is a very tricky game and I have always said and will say it again, I love real estate. But when you have people like a Terry Lundgren at Federated who has done, as you know, a fantastic job with Macy's and Bloomingdales and everything else or Jeff Immelt at General Electric. I think their stock is probably low.

It's probably going to go up. I invest in people. I think Immelt is good. I think Terry Lundgren is great. You see some of the people at the Wall Street firms like Bear Stearns, I think that you invest, if you're going to invest in it, you have to look at the people running the company. But I like real estate better.

KING: But real estate can go down, can't it?

TRUMP: Everything can go down but with real estate you have something. It's tangible. It's not a stock certificate that's painted green and you say, oh, gee, what happened? I've just seen it too much in life. I've seen friends get wiped out. They put all their money into a stock and they get wiped out.

I like real estate.

KING: Trump Vodka?

TRUMP: Well, what's happened ...

KING: You don't drink.

TRUMP: Well, what's happened ...

KING: You don't drink.

TRUMP: I don't drink and I don't really -- I'm not a big proponent of people that do drink. I've seen people that drink -- I've seen people, highly respected people, people such as yourself, but I've seen highly respected people -- and I'm just saying, they were very successful like you are.

And then you see them being carried out of an office, they're totally bombed, and you totally lose respect for them. So I don't -- I'm not a proponent of drinking. But what happens is because of my success and because of the success I've had in real estate and everything else and probably also because of "The Apprentice," so many people have come to me with different things.

We have at Macy's the most successful suits, the most successful new shirt, Philip Van Heusen did shirts and ties. It's the most successful launch that they've ever had. The Donald J. Trump collection at Macy's.

And a great company came to me in that world and they wanted to do a vodka. I'm giving the money to charity. Vodka, if it wasn't legal, that's one thing. If nobody drank, that's another thing. If they don't do me they'll probably go to Martha Stewart and then they'll fail.

KING: How do you know how good it is?

TRUMP: I have been told that it's a fantastic vodka. They've sold more -- this company has sold more in terms of the cases of vodka, they've sold more than they ever had in the history of the company. It launches, by the way, in two weeks. I'll send you a bottle.

KING: What is it called?

TRUMP: It's called Trump vodka.

KING: I have friends who will drink it.

TRUMP: So do I.

KING: What has been -- no one can have a perfect life. What has been a Trump failure?

TRUMP: Well, I like to look at failure -- we all have -- you can take the greatest deal makers, you read them all and whether it's a Carl Ikon (ph) or this one or that one, they're all friends.

KING: What is a failure of yours?

TRUMP: I don't even like to talk about failure. No, no, I like to learn from things -- yes, so that it doesn't happen again because if it happens again, you're a schmuck. In other words, you learn. Now, you can go for something and you can fail but you have to take a lesson out of that failure.

The other thing is you can't bet the ranch. In other words, if you're worth a million dollars, you don't want to bet that whole million because if it doesn't work -- and again, I know the greatest deal makers in the world. They're friends of mine and they're enemies of mine, they're all over the place, right? But no matter how great they are, they've all had very big failures, shocking. Things happen like September 11th, who would have ever thought that September 11th would -- but that changed the economy for a lot of people. That changed the world for a lot of people financially and in much more important ways than financials.

So I don't talk in terms of failure. But when something doesn't go quite right I learn from it.

KING: We will take a break and when we come back we will tell you valuable lessons.

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(COMMERCIAL BREAK)

KING: Donald Trump remains with us and we are now joined by Robert Kiyosaki, Donald Trump's co-author of "Why We Want You to be Rich." Two men, one message, there you see its cover. He's also an investor, entrepreneur and educator and the author of one of the best-selling books ever written, "Rich Dad, Poor Dad." Robert, whose idea was this book?

ROBERT KIYOSAKI, INVESTOR AND AUTHOR: Well, we kept meeting each other at the Learning Annex events and I'd say, what's he doing here? Why is he talking to regular people? Because he's a star, he's a billionaire and all this, and as we met over the last couple of years, it turns out that he is a great teacher and we share the same concerns and so that's why we wrote the book.

KING: Why do you want to make other people rich, Donald?

TRUMP: I want to make other people happy and I know the secrets to making money. I don't know the secrets to a lot of other things. But I know how to make money. I've always known how to make money and we do speeches and when I go to the Learning Annex we'll have as many as 64,000 people show up to listen to me speak and I got to know Robert by making speeches for the Learning Annex, which is, by the way, a great institution.

And Robert wrote a book that was a tremendous success, like 30- some-odd million copies of "Rich Dad, Poor Dad," and I wrote a book called "The Art of the Deal" which was the biggest selling business book of all time and since then I've written a lot of other books and they've all gone into being bestsellers. And we just wanted to join forces.

KING: Are you first a writer or first a businessman who writes?

KIYOSAKI: First an ambassador, actually. And then I wrote my book and that was 10 years ago and it's still on the "New York Times" bestseller list. And number three all time.

KING: Why do you want to make other people rich? What do you care?

KIYOSAKI: Well, that was our concern, because we have no financial education in schools and the gap between -- what we started talking about is there's this gap between the rich and everybody else is so excessive now.

KING: You mean people aren't taught about getting -- that's not a subject.

KIYOSAKI: No. And the gap in America -- what we say is the rich are getting richer but America is getting poorer and that's why we joined forces as teachers, because after his name is a few more zeroes than after my name.

KING: Can you really, Donald, take a lesson from yourself and give it to someone else?

TRUMP: Absolutely. Not everybody. But you can to a certain extend and as I said before, Larry, not everybody has it and if they don't have it they're not going to become millionaires or billionaires or whatever you want to become.

But they can all learn something and they can all get better and then for those people that do have it and again, whether it's Learning Annex or some other place, when we're there, these are people that are entrepreneurial in spirit.

KING: How are you marketing it, Robert? I noticed the publisher is Rich Press. I don't know that publisher.

KIYOSAKI: Well, that's our partnership together.

KING: How are you marketing it, Robert? I noticed the publisher is Rich Press. I don't know that publisher.

KIYOSAKI: Well, that's our partnership together.

KING: You're self publishing it.

KIYOSAKI: That's correct. And the reason for that is we're going to donate 500,000 to \$1 million for financial literacy. So it goes to his charities and my charities. It is for financial education.

KING: So how does the book get out? I mean, if it's not a publisher, you have to print it yourself, market it yourself, get it out to stores yourself.

KIYOSAKI: That's what we're doing.

TRUMP: And they went through a first print of a million copies.

KING: A million on ...

TRUMP: One million copies.

KING: We have another question for you, Donald, from a man on the street or a woman on the street. I don't know. It's one or the other. Can't be anything other than that. Here's the next question for Donald.

(BEGIN VIDEO CLIP)

UNIDENTIFIED MALE: Donald, what real estate opportunities are you getting out of right now with the looming real estate bubble?

(END VIDEO CLIP)

TRUMP: Well, I see less of a bubble than the newspapers do. I think that as long as interest rates remain where they are -- now the market is not as good as it was two years ago but it's still a pretty solid market. And if interest rates don't go up too much I think the market is going to be just fine. You need the right location, you need the right product and you have to know what you're doing.

KING: Robert, do we have an entitlement mentality. People think it's coming to them.

KIYOSAKI: I think we have a dangerous mentality which is entitlement -- they expect the government to take care of them, Social Security and Medicare. And that's what we both started to write about is because we have first about 75 million baby boomers set to retire and the federal government is technically bankrupt right now and that is what we're concerned about is there is so many people wanting someone to take care of them, whether it's Ford or General Motors or the U.S. government.

KING: We'll be back with more Donald Trump and Robert Kiyosaki. The book is "We Want You to be Rich." Don't go away.

(COMMERCIAL BREAK)

KING: We're back. Both of you are in debt, right? You owe money.

TRUMP: Always.

KING: You owe money. Why is that smart?

KIYOSAKI: Well, there's good debt and there's bad debt and unfortunately the average person only has bad debt. And that's what -- part of what we're talking about. With a little financial education you can manage debt.

KING: You owe money. Why is that smart?

KIYOSAKI: Well, there's good debt and there's bad debt and unfortunately the average person only has bad debt. And that's what -- part of what we're talking about. With a little financial education you can manage debt.

KING: You learn it in this book.

KIYOSAKI: Well, we both had rich dads or dads that taught us this and that's our whole point is that we learn about money at home, not at school and that's -- and we have some politicians that need to learn about money also.

KING: Give me -- each of you, give me some tips. Donald, what's a good tip?

TRUMP: Well, always ...

KING: Tip one to make money.

TRUMP: Well, always go in to something that you know something about. So many people, they want to go into a field that they don't know but I actually think the most important tip is go into something that you love because you'll learn it much quicker. You're going to learn about whatever you're doing much quicker, more quickly than if you just don't like the subject matter.

KIYOSAKI: I agree wholeheartedly but I recommend to the little guy, start small. Start small and then spend a life learning. I think that's what we encourage. My projects are not nearly as big as his projects in real estate but I also love real estate and my bankers love real estate. I always say my banker won't lend me money for mutual funds but they will lend us money for real estate.

KING: How do you balance between saving and investing?

TRUMP: Well, I think as far as I'm concerned, I love, and you mentioned about debt, you don't build billions of dollars of net worth unless you're going to go out and borrow money. Now you have to use leverage to your advantage and not to your disadvantage.

KING: You have to pay it back.

TRUMP: You pay it back and hopefully you know what you're doing and you're able to pay it back and it's just worked out that way for me but you have to know what you're doing. Again, you don't want to borrow so much that it doesn't work and if you do borrow too much, you have to know how to negotiate with lots of people, including your bankers.

KING: How much do you save, Robert?

KIYOSAKI: I think we covered that in the book, "Why We Want You to be Rich." Savings right now, the value of the dollar is dropping so fast, that's why the real estate is going up and so we teach people about why you need to learn exactly what he says ...

KING: Would you say buy and not rent?

KIYOSAKI: Your house, absolutely. But we agree, what we do is not for everybody, but what we do requires more financial training. I think that's our message is our schools really do need to teach people about good debt, bad debt, good investments, bad investments.

KING: We don't learn about that in school at all. They teach you economics but it's boring.

TRUMP: They teach you economics and it has nothing to do with the real world and that's part of the problem.

KING: It's a class you fall asleep in.

TRUMP: Well, look, I'm a big education person and not everybody -- as we've discussed, not everybody is getting into the Wharton

KING: It's a class you fall asleep in.

TRUMP: Well, look, I'm a big education person and not everybody -- as we've discussed, not everybody is getting into the Wharton School of Finance or into Harvard Business School or any of the great schools. We think we have done something very special with the book and the reason I wanted to do it with Robert is because "Rich Dad, Poor Dad" was one of the greatest-selling books of all time in terms of what I -- in terms of my universe.

KING: How do I use this book? Do I read it occasionally, use it page by page, read it through, what? KIYOSAKI: I think it's an interesting book because we discuss certain subject, like we both went to military school and I think that's quite interesting. We both love sports.

TRUMP: Can you believe that, Larry?

KING: I know you did.

KIYOSAKI: Yes. And I went to ...

KING: Military school and you come out rich. I thought that's just stay to the grind, join the army.

KIYOSAKI: I think we both learned discipline there that way.

TRUMP: Here's the discipline. And I had some drill sergeants that were pretty tough guys in high school and so I go into a high school ...

KING: A drill sergeant in high school?

TRUMP: Well they're ex-marines and ex-sergeants and they were terrific people, but they were tough.

KING: Let me get a break. We'll be back with our remaining moments with Robert Kiyosaki and Donald Trump. The book is "Why We Want You To Be Rich." You're watching LARRY KING LIVE. Don't go away.

(COMMERCIAL BREAK)

KING: We're back. Donald Trump and Robert Kiyosaki. Define rich.

TRUMP: Well, rich is a state of mind more than anything else. If you feel you are rich and if you're happy and if you have a wonderful family you're rich and this doesn't just have to do with money.

KING: Define it financially.

KIYOSAKI: Forbes defines it as a million dollars a year in passive income. Whether you work or not. That's a specific definition of it.

KING: Passive meaning ...

KIYOSAKI: Without working.

KING: A million dollars comes to you a year without working.

KIYOSAKI: That's their definition.

KING: What's your definition.

KIYOSAKI: Same. KING: Same. Yours?

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TRUMP: I think so, pretty much so. I mean, when you say not working, you've worked -- unless you inherited it, you worked very hard during your life to make that and put yourself in that position.

KING: Is someone who makes \$2 million a year rich?

KIYOSAKI: It depends on their expenses. I think that's what we're talk about is financial literacy is not how much money you make, it's how well you spend your money that makes you rich.

KING: Money management, hardest thing of all, isn't it?

TRUMP: Well, it is, especially if you're not trained. I have a lot of friends who are athletes and they think their life is going to go on and they're going to be on the gridiron or they're going to be on the baseball field all the time and I have had some people that I've really, really helped, they were going to go into horrible deals and they would have lost everything and they just think, they just aren't experienced and you do need experience and one of the reasons I do love to teach, I'm a huge believer in education and one of the reasons we wrote this book is to help people out.

KING: Would you change the school formula?

KIYOSAKI: I personally would because unlike Donald I wasn't a great student and it took me until I was 30-years-old to realize I didn't know all the answers and then I became a student and I think our educational system, we do need to teach people about money because there is fewer and fewer jobs that provide any long term security.

KING: I don't remember learning anything about money in high school. There's no course called money.

TRUMP: Well, you don't learn in high school and that's a shame and they should be teaching people how to live and how to earn money, make money, and perhaps most importantly, to preserve their money so that it doesn't get wiped out.

I mean, people make money and then all of the sudden they don't have anything. You see it even with so-called rich people. They make a lot of money and two years later they have nothing.

KING: But what's wrong, Robert, if you like to spend? You like to live a good life. You ain't going to live forever.

KIYOSAKI: Well, I think that's what makes our book unique because most financial books tells you about how to live below your means. Our book talks about how to expand your means and live -- we both like spending money. It's a fun -- I love the high life.

TRUMP: It's a little bit about living the good life, there's nothing wrong with it.

KING: Thank you both very much. Robert, continued good luck. KIYOSAKI: Thank you.

KING: Is that a Trump suit?

KIYOSAKI: It is. Absolutely.

KING: Donald Trump, chairman and president of The Trump Organization, and Robert Kiyosaki, his co-author of "Why We Want You to be Rich." Two men, one message, the publisher, Rich Press.

Tomorrow night, Lou Dobbs, another guy who knows a thing or two about money. Lou Dobbs has a book out and he will be our special

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